

HOUSE BILL No. 5636

January 17, 2008, Introduced by Rep. Wenke and referred to the Committee on Oversight and Investigations.

A bill to amend 1943 PA 240, entitled
"State employees' retirement act,"
by amending section 68c (MCL 38.68c), as added by 2007 PA 95.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 68c. (1) Except as otherwise provided in this subsection,
2 a retirant who is receiving a retirement allowance under this act
3 and is employed by this state beginning on or after ~~the effective~~
4 ~~date of this section~~ **OCTOBER 1, 2007** agrees to forfeit his or her
5 right to receive that retirement allowance during this period of
6 state employment. The retirement system shall cease payment of the
7 retirement allowance to a retirant described in this subsection
8 during this period of state employment and shall reinstate payment
9 of the retirement allowance without recalculation when the period

1 of state employment ceases. This subsection does not apply to a
2 retirant who is employed by this state on ~~the day before the~~
3 ~~effective date of this section~~ **SEPTEMBER 30, 2007** so long as he or
4 she remains in the position held by the retirant on ~~the day before~~
5 ~~the effective date of this section~~ **SEPTEMBER 30, 2007**. As used in
6 this subsection, ~~"employed by this state" means employed directly~~
7 ~~by this state as an employee or indirectly by this state through a~~
8 ~~contractual arrangement with other parties.~~

9 (2) A hospital, medical-surgical, and sick care benefits plan,
10 dental plan, vision plan, and hearing plan that covers retirants,
11 retirant allowance beneficiaries, former qualified participants,
12 and health benefit dependents under this act shall contain a
13 coordination of benefits provision that provides all of the
14 following:

15 (a) If the person covered under any of the plans is also
16 eligible for medicare, then the benefits under medicare shall be
17 determined before the health insurance benefits under this act.

18 (b) If a person covered under any of the plans provided by
19 this act is also covered under another plan that contains a
20 coordination of benefits provision, the benefits shall be
21 coordinated as provided in the coordination of benefits act, 1984
22 PA 64, MCL 550.251 to 550.255.

23 (c) If the person covered under any of the plans provided by
24 this act is also covered under another plan that does not contain a
25 coordination of benefits provision, the benefits under the other
26 plan shall be determined before the benefits provided pursuant to
27 this act.

1 (3) AS USED IN THIS SECTION, "EMPLOYED BY THIS STATE" MEANS 1
2 OR MORE OF THE FOLLOWING:

3 (A) EMPLOYED BY THIS STATE AS AN EMPLOYEE.

4 (B) HIRED BY THIS STATE DIRECTLY AS AN INDEPENDENT CONTRACTOR.

5 (C) EMPLOYED INDIRECTLY BY THIS STATE THROUGH A CONTRACTUAL
6 ARRANGEMENT BETWEEN THIS STATE AND AN EMPLOYMENT AGENCY.

7 (4) SUBSECTION (3) AND THIS SUBSECTION ARE EFFECTIVE BEGINNING
8 OCTOBER 1, 2007.